

Continued January 4, 1989

ADJUSTMENT TO REFUSE
RATE CHARGES TO FUND
STATE-IMPOSED SUR-
CHARGE FOR ULTIMATE
LANDFILL CLOSURES
APPROVED

URGENCY ORDINANCE
NO. 1443 ADOPTED

CC-6

CC-54

CC-56

City Manager Peterson apprised the City Council that the franchise agreement between the City of Lodi and Sanitary City Disposal Co., Inc., for waste disposal services in the City provides in part that "the contractor will be entitled to a rate adjustment immediately based on any dump fee adjustments."

The County of San Joaquin, responding to a State-mandated \$1.00 per ton surcharge to fund the Statewide landfill closure program, took action to levy this surcharge at the Harney Lane Sanitary Landfill following a public hearing on this matter held in early December. Based on calculations the County developed, the County concludes that this translates to a surcharge of approximately 12 cents per can in the North County area. David Vaccarezza, president of Sanitary City Disposal Co., Inc., has requested that this County-developed figure of 12 cents be applied in the City of Lodi. In accordance with the terms and conditions of the recently-adopted franchise agreement, as noted above, the contract hauler is entitled to be immediately reimbursed for this expense. It is only fair that the company be so reimbursed and made whole. On the other hand it is not appropriate that the company make a profit on this State-mandated surcharge. Thus the basics are: what is the appropriate surcharge adjustment; how should it be calculated; and how should it be monitored.

Staff met with Mr. Vaccarezza and other representatives of Sanitary City Disposal Co., Inc. earlier this week to discuss in depth how best to arrive at an equitable adjustment figure. Whatever number is arrived at, the action will be by urgency ordinance so that it will be effective with the first group of utility bills to be prepared and mailed in January, 1989.

Ordinance options were presented for the City Council's review as follows:

- set the 12 cent rate (1.7%) and establish a fund from which the company would be reimbursed for charges incurred for total tonnage (residential and commercial) collected in the City and taken to the transfer station based on weight figures supplied by the company